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European Consumer Credit Market Contracted in First Half of 2020

BRUSSELS – 24 November 2020 – European consumer credit providers represented through Eurofinas¹ granted new loans worth €184.8 billion in the first half of 2020, a decrease of -18.4% compared to the same period in 2019² according to the results of the Eurofinas Biannual Survey 2020. Total new consumer credit lending³, which accounts for the majority of new Eurofinas lending (71%), experienced a drop of -21.2%.

Declines in new credit granted were observed across all personal consumption categories. Personal loans suffered the sharpest decrease of -23.2% compared to the first semester of last year. Revolving credit shrank by -17.8%, followed by non-automotive credit at the point of sale falling by -11.8%.

The consumer car lending market dropped significantly by -26.3% in the first half of 2020, with new cars performing worse than used cars. Loans for new consumer vehicles declined by -32.4%, whereas loans for used cars showed a contraction of -22.2%. There were consistent performances across markets for consumer car lending, with most experiencing double-digit drops. When it comes to the car finance market for business vehicles, used cars also outperformed new cars in the first half of this year. The former fell by -12.4% compared to the same period last year, while the latter contracted by -33.6%.

The aggregate figures reflected declines across all Eurofinas Members' national markets, except Turkey, which is the only reporting country to experience a growth of 35% in consumer credit. By comparison, while half of the reporting countries (including Morocco, Italy, the UK, France, and Belgium) suffered from drops of more than -20% in new consumer credit lending, the other half experienced decreases of between -11% and -17%. Germany was the only significant market with new consumer credit lending contracting by less than -10%.

Growth in household consumption is expected to bounce-back in the third quarter of 2020, driven by demand and policy measures supporting household purchasing power. However, this recovery is projected to be disrupted towards the end of the year by the resurgence of the pandemic and the reintroduction of more stringent containment measures.⁴ Although private consumption is forecast to rebound next year, consumer credit lenders will likely continue to experience some headwinds going forward.

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¹ The following Eurofinas members took part in the survey: UPC/BVK (BE), CLFA (CZ), BFACH (DE), Finans og Leasing (DK), ASNEF (ES), ASF (FR), ASSOFIN (IT), LBA (LT), APSF (MA), FINFO (NO), ASFAC (PT), Finansbolagens Förening (SE), AFI/FKB (TR), FLA (UK).

² The growth rates shown are adjusted to exclude the impact of exchange rate fluctuations.

³ Total consumer credit includes consumer credit for personal consumption (including personal loans, revolving credit and non-automotive point of sale finance) and consumer point of sale vehicle finance.

⁴ European Commission Economic Forecast – Autumn 2020.



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About Eurofinas

Eurofinas, the European Federation of Finance House Associations, is the voice of the specialised consumer credit providers in the EU. As a Federation, Eurofinas brings together associations throughout Europe that represent finance houses, specialised banks, captive finance companies of car, equipment, etc. manufacturers and universal banks. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, point of sale credit, credit cards and store cards. Consumer credit facilitates access to assets and services as diverse as cars, studies, furniture, electronic appliances, etc. Eurofinas members financed more than €462.7 billion worth of new loans during 2019 with outstandings reaching over €1.1 trillion euros at the end of the year.

More information on Eurofinas activities available at www.eurofinas.org